IN THE HIGH COURT OF BOMBAY AT GOA.

COMPANY PETITION NOS. 3-Z AND 4-I OF 2003.

COMPANY PETITION NO. 3-Z OF 2003.

Zuari Industries Limited,
having its Registered
Office at Jai Kisaan
Bhawan, Zuarinagar-Goa. ... Petitioners.

Mr. Atul Setalwad, Senior Advocate with Mr. Gaurav Joshi and Mr. D. Pangam, Advocates for the Petitioners.

Mr. R.M. Kadam with Mr. P.A. Kholkar, Advocates for the Intervenors.

COMPANY PETITION NO. 4-I OF 2003.

Indian Furniture Products Limited,
formerly known as ZIL Infotech
Ltd., having its registered
office at Jai Kisaan Bhawan,
Zuarinagar-Goa. ... Petitioners.

Mr. M.S. Sonak, Advocate for the Petitioners.

Mr. P.A. Kholkar, Advocate for the Intervenors.

Coram : P. V. HARDAS, J.

Date : 4th July 2003.

ORAL JUDGMENT.

These petitions have been filed by the petitioners for obtaining sanction of this Court to the Arrangement at Exhibit C. As per the said scheme, the Furniture Products Division of the petitioner company in Company Petition No. 3-Z of 2003 shall stand transferred to and vest in Indian Furniture Products Limited, the petitioners in Company Petition No. 4-I of 2003.

2. Zuari Industries Limited, the petitioners in

Company Petition No. 3-Z of 2003 was incorporated on 12th May 1967 having its Registered Office at Jai Kisaan Bhawan, Zuarinagar, Goa. The Authorised Share Capital is Rs. 4,00,000 shares of Rs. 10/- each divided into 3,57,50,000 equity shares of Rs. 10/- each and 4,25,000 Redeemable Cumulative Preference Shares of Rs. 100/- each. The Issued Capital of the petitioner Company is 2,94,51,168 equity shares of Rs. 10/- each and the Subscribed and Paid-up Capital of the petitioner Company is 2,94,40,604 equity shares of Rs. 10/- each fully paid. The petitioner Company is presently engaged in the business of manufacture and sale of fertilizers, manufacture of ready-to-assemble furniture and marketing of agri-inputs. It is averred that the petitioner Company has been in a sound financial position. The profits of the petitioner Company for the year ended 31st March 2002, after tax, were 1265.19 lakhs.

3. Indian Furniture Products Limited (formerly known as Zuari Industries Limited Infotech Limited), the petitioners in Company Petition No. 4-I of 2003, was incorporated on 6th December 2002 under the Companies Act, having its registered office at Jai Kisaan Bhawan, Zuarinagar, Goa. The Authorised Share Capital consists of 1,00,000 equity shares of Rs. 10/- each and the Issued, Subscribed and Paid-Up Capital consists of 80 equity shares of Rs. 10/- each fully paid. At Exhibit

B in Company Petition No. 4-I of 2003 is the Memorandum of Articles of Association. Indian Furniture Products Limited, petitioners in Company Petition No. 4-I of 2003, the transferee company has yet to commence the business of manufacture of ready to assemble furniture.

4. The Board of Directors of the transferor and the transferee companies have approved the Scheme of Arrangement, annexed to the petition as Exhibit C on 29th October 2002. The salient features of the scheme are as follows:-

> "(a) With effect from the Appointed Day, the Transferred Undertakings (as defined in the said Scheme) of the Petitioner shall, pursuant to Section 394(2) of the Act, shall without any further act or deed, be transferred to and vested in or deemed to have been transferred to and vested in IFPL so as to become as and from the Appointed Date, the estate, assets, rights, title and interest of IFPL subject to Clause 10, part IV of the said Scheme.
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> (b) In respect of such of the assets of the Transferred Undertakings of the Petitioner as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery, or transfer by vesting and recordal pursuant to the said Scheme the same shall stand transferred and vested by the Petitioner, with effect from the Appointed Date and shall become the property and an integral part of IFPL.
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> (c) Upon the coming into effect of this Scheme and subject to the provisions of the said Scheme, all deeds, bonds, schemes, arrangements and other instruments of whatsoever

nature in relation to the Transferred Undertakings of the Petitioner to which the Petitioner is a party or to the benefit of which IFPL may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour of IFPL and may be enforced as fully and effectually as if instead of the Petitioner, the IFPL had been a party or beneficiary or obligee thereto.

(d) Upon the coming into effect of the said Scheme and subject to the provisions of the Scheme, all permits, quotas, rights, entitlements, licenses including those relating to Trademarks, tenancies, patents, copy rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Transferred Undertakings of the Petitioner or to which the Petitioner is a party or to the benefit of which the Petitioner may be eligible and which are subsisting or having effect immediately before the Effective Date, as defined in the said Scheme shall be and remain in full force and effect in favour of or be enforced as fully and effectually as if, instead of the Petitioner, IFPL had been a party or beneficiary or obligee thereto.

(e) Any inter se contracts between the Petitioner and IFPL relating to the Transferred Undertakings of the Petitioner shall stand merged and vest in IFPL upon the sanction of the said Scheme and upon the said Scheme becoming effective.

(f) Any statutory licences, permissions or approvals or consents to carry on the operations in the Transferred Undertakings of the Petitioner as illustratively listed out in Schedule -I (b) to the said Scheme hereto, shall stand vested in or transferred to IFPL without further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of IFPL upon the vesting and transfer of the Transferred

Undertakings of the Petitioner pursuant to this Scheme. The benefit of all statutory and regulatory permissions, factory licences, environmental approvals and consents including the statutory licences, permissions or approvals or consents to carry on the operations in the Transferred Undertakings of the Petitioner as illustratively listed out in Schedule-I (b) to the said Scheme, sales tax registrations or other licences and consents shall vest in and become available to IFPL pursuant to this Scheme. Any no-objection certificates, licences, permissions, consents, approvals, authorisations, registrations or statutory rights as are jointly held for the Transferred Undertakings of the Petitioner and the Non-Transferred Undertakings of the Petitioner as continuing undertakings including the statutory licences, permissions or approvals or consents to carry on the operations in the Transferred Undertakings of the Petitioner as illustratively listed out in Schedule-I (b) to the said Scheme shall be deemed to constitute separated licences, permissions, no objection certificates, consents, approvals, authorities, registrations or statutory rights, and the relevant or concerned statutory authorities and licensors shall endorse and/or mutate or record the separation, upon the filing of this Scheme as sanctioned with such authorities and licensors after the same becomes effective, so as to empower and facilitate the continuation of operations in IFPL without hindrance or let from the Appointed Date as defined in the said Scheme.

IFPL at any time after the coming into effect of the said Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, will execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Transferred Undertakings of the Petitioner to which the Petitioner is

a party in order to give formal effect to the above provisions. IFPL shall under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Petitioner and to carry out or perform all such formalities or compliances referred to above on the part of the Petitioner.

(g) Upon the coming into effect of the said Scheme, the debts, liabilities and obligations of the Petitioner relating to the Transferred Undertakings of the Petitioner, including those illustratively listed in Schedule-I (d) to the said Scheme, shall, without any further act or deed be and stand transferred to IFPL and shall become the debts, liabilities and obligations of IFPL which it undertakes to meet, discharge and satisfy.

All liabilities and obligations arising out of guarantees executed by the Petitioner relating to the Transferred Undertakings of IFPL for any third party/s shall become the liabilities and obligations of the IFPL which it undertakes to meet, discharge and satisfy.

With effect from the Appointed Date as defined in the said Scheme and upon the transfer of the liabilities of the Petitioner relating to, the Transferred Undertakings of the Petitioner as aforesaid, the Transferred Undertaking of the Petitioner shall stand discharged and free of any lien or charge in relation to any liabilities of the Petitioner in relation to the Non-Transferred Undertakings of the Petitioner.

(h) All legal or other proceedings by or against IFPL in respect of the Transferred Undertakings of the Petitioner under any statute, or otherwise whether pending on the Appointed Date as defined in the said Scheme or which may be instituted in future in respect of any matter arising before the Effective Date as defined relating to the Transferred

Undertaking of in the said Scheme, shall be continued and enforced by or against IFPL after the Effective Date. If proceedings are taken against the Petitioner in respect of the Transferred Undertakings of the Petitioner, after the Appointed Date, the Petitioner, shall defend the same in accordance with the advice of IFPL and at the cost of IFPL and the later shall reimburse and indemnify the Petitioner against all liabilities and obligations incurred by the Petitioner in respect thereof.

(i) Upon the Scheme becoming effective, IFPL undertakes to have such legal or other proceedings initiated by or against the Petitioner referred to in sub-clause (h) above transferred in its name and to have the same continued, prosecuted and enforced by or against IFPL to the exclusion of the Petitioner. IFPL also undertakes to deal with all legal or other proceedings which may be initiated by or against the Petitioner or IFPL after the Effective Date relating to the Transferred Undertakings of the Petitioner in respect of the period up to the Effective Date, in its own name and account and to the exclusion of the Petitioner, and further undertakes to pay all amounts including interest, penalties, damages etc. which the Petitioner may be called upon to pay or secure in respect of any liability or obligation relating to the Transferred Undertakings of the Petitioner for the period upto the Effective Date, and any reasonable costs incurred by the Petitioner in respect of such proceedings started by or against it relatable to the period upto the Effective Date upon submission of necessary evidence by the Petitioner to IFPL for making such payment.

(i) With effect from the Appointed Day and upto and including the Effective Date, the Petitioner shall be deemed to have been carrying on all operations and activities relating to the Transferred Undertakings of the

Petitioner on behalf of IFPL and stand possessed of the properties so to be transferred for and on account of and in trust for IFPL, and all profits accruing to the Petitioner (including taxes, if any, thereon) or losses arising or incurred by it relating to the Transferred Undertakings of the Petitioner shall for all purposes, be treated as the profits, taxes or losses as the case may be of IFPL. The Petitioner hereby undertakes from the Appointed Date up to and including the Effective Date to carry on its operations relating to Transferred Undertakings of the Petitioner with proper prudence and agrees, without the prior written consent of IFPL not to alienate, charge or otherwise deal with or dispose of the Transferred Undertakings of the Petitioner or any part thereof (except in the ordinary course of business) or undertake substantial expansion of its existing operations pertaining to the Transferred Undertakings of the Petitioner.

(k) All permanent employees of the Petitioner engaged in the Transferred Undertakings of the Petitioner as on the Effective Date, shall as from such date, become employees of IFPL with the benefit of continuity of service on same terms and conditions being not unfavourable with the terms and conditions applicable to such employees of the furniture products division of the Petitioner and without any breach or interruption of service unless any one of them is not willing to join IFPL. In regard to Provident Fund, Employees Benevolent Fund Trust, Gratuity Fund, Superannuation Fund or any other special fund created or existing for the benefit of such employees of the Petitioner, upon the said Scheme becoming effective, IFPL shall stand substituted for the Petitioner for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes, funds, by-laws etc. including in the respective Trust Deeds or other documents. The

existing Provident Fund, Employees Benevolent Fund, Gratuity Fund and Superannuation Fund Trusts created by the Petitioner for its employees including employees of the Transferred Undertakings of the Petitioner shall be continued for the benefit of such employees and employees of the Non-Transferred Undertakings of the Petitioner, on the same terms and conditions. With effect from the Effective Date IFPL shall make the necessary contributions for such transferred employees of the Petitioner and deposit the same in the Employees Benevolent Fund, Provident fund, Gratuity Fund or Superannuation Fund of the Petitioner. Until the Petitioner or its Trustees for such funds transfer such portion of the Employees Benevolent Fund, Provident Fund, Gratuity Fund and Superannuation Funds Trusts relating to the employees of the Transferred Undertakings of the Petitioner into the Employees Benevolent Fund, Provident Fund, Gratuity Fund and Superannuation Fund including the respective Trusts or the Trustees of such funds set up by IFPL, as may be applicable. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferred Undertakings of the Petitioner in relation to such schemes or funds shall become those of IFPL. It is clarified that the services of all employees of the Petitioner relating to the Transferred Undertakings of the Petitioner to IFPL, will be treated as having been continuous for the purpose of the aforesaid schemes or funds.

(l) In the event that the Trustees are constituted as holders of any securities, Trust fund or Trust monies in relation to any Employees Benevolent Fund, Provident Fund, Superannuation Trust, Gratuity Trust or other Trust of the Petitioner, such funds shall be transferred by such Trustees of the Trusts of the Petitioner to the same purpose and object to the extent that the same relates to all the employees of the Petitioner relating to the Transferred

Undertakings of the Petitioner and shall be deemed to be a transfer of trust property from one set of Trustees to another set of Trustees in accordance with the provisions of the relevant labour laws, Indian Trust Act and the Indian Income Tax Act, 1961 and Stamp Legislations as applicable. Appropriate Deeds of Trusts and/or documents for transfer of Trust properties shall be simultaneously executed upon the sanction of the Scheme in accordance with the terms hereof by the Trustees of the Trust constituted by the Petitioner in favour of the Trusts of IFPL so as to continue the benefits of the employees and segregate the funds. Pending such transfer into the existing Trusts of IFPL as aforesaid, the original trust of the Petitioner, will continue to receive credits for the contributions for Employees Benevolent Fund, Provident fund, Superannuation or Gratuity if any, in respect of all employees of the Petitioner relating to the Transferred Undertakings of the Petitioner, and shall make payment from out of these funds to the employees. Benefits of continuity of service will also be available in relation to credits into such Trusts/Funds of the Petitioner in relation to Transferred Undertakings of the Petitioner in the Trusts/Funds created for employees of IFPL.

The Employees Benevolent Fund, Provident Fund, Gratuity Trust or Superannuation Trusts of the Petitioner shall continue to hold such securities Trust Funds and/or Trust monies as hithertofore; till such time as the transfer to the Trustees of IFPL employee Trust is made.

(m) IFPL undertakes to continue to abide by any agreement(s)/ settlement(s) entered into with any Labour Unions / employees by the Petitioner in relation to the Transferred Undertakings of the Petitioner. IFPL agrees that for the purpose of payment of any retrenchment, compensation, Employees Benevolent Fund, Provident Fund,

Gratuity and other terminal benefits, the past services of such employees with the Petitioner shall also be taken into account, and agrees and undertakes to pay the same as and when payable.

The transfer and vesting of the properties and liabilities of the Transferred Undertakings of the Petitioner to IFPL and the continuance of the proceedings by or against IFPL under Clause 4 of Part III, the said Scheme, shall not affect any transaction or proceedings already completed by the Petitioner on and from the Appointed Date to the end and intent that IFPL accepts all acts, deeds and things done and executed by and/or on behalf of the Petitioner as acts, deeds and things done and executed by and on behalf of IFPL.

Subject to the other provisions contained in the said Scheme, all Contracts, business/asset purchase agreements, memorandums of understandings, memorandums of agreement, memorandums of agreed points, letters of agreed points, arrangements, undertakings whether written or otherwise, contracts, lease rights, deeds, bonds, other agreements and instruments of whatsoever nature relating to the Transferred Undertakings of the Petitioner to which the Petitioner is a party or having effect immediately before the Effective Date, shall remain in full force and in effect against and in favour of IFPL and may be enforced fully and effectually as if, instead of the Petitioner, IFPL had been a party thereto.

5. The transferor company as on 31st December 2002 had no assets except cash balance of Rs. 800/-. The Furniture Products Division of the petitioner company in Company Petition No. 3-Z of 2003 for the year ending 31st March 2002, after tax, was Rs. 1605.69

lakhs and for the nine months period commencing on 1st April 2002 and ending 31st December 2002 was Rs. 825.39 lakhs. The copy of the audited accounts of the petitioner company for the year ended 31st March 2002 and the unaudited results for the half year commencing 1st April 2002 and ending on 31st December 2002 is annexed to the petition as Exhibit D Colly. At Exhibit E a copy of the latest audited balance sheet and profit and loss account of Indian Furniture Products Limited from the date of its incorporation till 28th February 2002 is annexed to the petition. The petitioners have annexed at Exhibit F Colly the consent letters from the secured creditors granting their consent to the scheme between Zuari Industries Limited and Indian Furniture Products Limited. The petitioner company owes an amount of Rs. 266.58 crores to the unsecured creditors. It is averred in the petition that the unsecured creditors fall in two categories, one being the fixed deposit holders and the second being the trade creditors. In respect of the fixed deposit holders, it is stated that they would not be affected by the scheme as they would continue to be creditors of the petitioners and the petitioners have not defaulted in the payment of interest or re-payment of the principal amount to any fixed deposit holder. As regards the trade creditors, it is stated, that the petitioners have been paying them in the regular course of business and there has been no

default in the payment by the petitioners. At Exhibit G Colly, the petitioners have annexed the no objection letters received from the creditors to whom a sum of Rs. 5 lakhs or more is owed, constituting 70.67% by value. In respect of Indian Furniture Products Limited, it is stated that it has no secured or unsecured creditors.

6. By an Order of this Court, dated 5th December 2002, in Company Application No. 75-Z of 2002, the petitioners were directed to convene a meeting of the members holding equity shares of the petitioners on 15th January 2003, at Jai Kisaan Bhawan, Zuarinagar, Goa, for the purpose of considering, and if thought fit, approving with or without modifications, the arrangement embodied in the scheme. The Order of the Court further directed that Mr. Marco Wadia to act as the Chairman of the said meeting. Notice of the meeting was served individually to all the equity shareholders of the petitioner company with a copy of the scheme of arrangement and a statement as required under Section 393 of the Companies Act, etc.. Notice of the meeting was also advertised in the Navhind Times and Tarun Bharat, both, dated 21st December 2002.

7. On 15th January 2003, in pursuance to the Order of this Court, a meeting of the equity shareholders of the petitioner company was convened and

was held at Jai Kisaan Bhawan, Zuarinagar, Goa. the meeting of the equity shareholders of the petitioner company was attended either personally or by proxy by 68 equity shareholders of the petitioner company entitled together to 1,51,71,223 equity shares of the total value of Rs. 15,17,12,230/-. As per the affidavit, which has been filed towards the compliance of the Order of this Court, it appears that the scheme was read out and explained by the Chairman of the meeting and the resolution approving the scheme was passed by 61 members holding in the aggregate 1,51,71,937 equity shares of the petitioner company. Four members holding 201 equity shares voted against the resolution and five ballot papers came to be rejected by the scrutineers as invalid. The scheme was approved with an amendment and the amendment was that the appointed day would mean 1st April 2002 instead of 1st March 2002 and under Part II, paragraph 5(ii) the last line to read as "Account and General Reserves of the Transferor Company". The amendment to the scheme was also approved by majority. Thus, the amended scheme came to be approved by 61 members in the meeting held on 15th January 2003. The report of the Chairman recording the meeting held on 15th January 2003 is at Exhibit H. The petitioners in both the Company Petitions have, therefore, prayed for grant of approval of the scheme at Exhibit C to the Company Petition No. 3-Z of 2003.

8. This Court, by its Order, dated 6th June 2003, had directed the petitioners to serve notice under Certificate of Posting and/or personal delivery to (1) The District Registrar Cuddapah, Dist. Cuddapah, Andhra Pradesh; (2) Sarpanch, Gram Panchayat, Peddanapada Village, Yerraguntala Mandal, Dist. Cuddapah; (3) The Regional Director, Employees State Insurance Corporation, Hillfort Road, Hyderabad; (4) Additional Revenue Inspector, c/o. MRO Office, Yerraguntala Mandal, Station Road, Yerraguntala, Cuddapah, Andhra Pradesh; (5) Union of India represented by General Manager/Chief Commercial Manager, South Central Railway, Rail Nilayam, Secunderabad; (6) Asst. Commissioner of Commercial Sales Tax, c/o Dy. Commissioner Commercial Taxes, Dist. Chitoor Division, Near Devi Theatre, Kappamanchi and (7) Dy. Commissioner Central Excise & Customs, Dwarka Towers, Opp. Dist. Court, Cuddapah, Andhra Pradesh. An affidavit, dated 24th June 2003 of the learned counsel appearing for the petitioners has been filed annexing at Exhibit A a Certificate of Posting of the notices towards compliance of the Order of this Court, dated 6th June 2003. On 27th June 2003, the petition was listed but none appear on behalf of the authorities to whom notices were directed to be issued.

9. I have heard Mr. Setalwad, learned senior counsel on behalf of the petitioners and Mr. Kadam on

behalf of the objector company Hindustan Dorr-Oliver Limited. The objector company has filed its objections and has contended that the various assets of the petitioner company are sought to be transferred to Indian Furniture Products Limited and, therefore, the significant assets available to the creditors presently would not be so available to them after the demerger. Perusal of the documents submitted by the petitioner company would reveal that significant general reserves and surplus would be available to the petitioner company after the demerger. After the demerger, the net assets of the petitioner company would exceed Rs. 330 crores and, therefore, the creditors of the petitioner company would stand adequately protected. Since the Furniture Products Division had accumulated losses on demerger, the financial health of the petitioner company would be improved. According to me, the apprehension of the objector that because of the transfer of assets; the creditors would be prejudicially affected is wholly unfounded. It is next submitted on behalf of the objector company that the scheme does not spell out the effect on the creditors and that consideration of Rs. 41.57 crores to be paid by Indian Furniture Products Limited to the petitioner company is not adequate consideration. A perusal of Clause 3(a) and 3(b) of the scheme deal with the effect of the scheme vis-a-vis the creditors. In paragraph 23 of the petition, a reference

is made to the valuation report of M/s. Ernst & Young, Chartered Accountants and Corporate Advisors. According to the petitioner company, the said report was also available at the time of the meeting of the shareholders for their perusal. Neither the objector nor any other creditor had sought a copy of the said report. That apart, it is submitted on behalf of the petitioners that valuation is a matter of technical expertise and the Court does not sit in appeal over the valuation carried out by experts and particularly so in the absence of any contrary valuation report being filed by the objector. The objections regarding the valuation are extreme and no particulars are given to demonstrate any error in the valuation done by the experts. It was also the contention of the objectors that the financial position of the petitioner company was not sound and it was pointed out that there were various liabilities, the petitioners were a loss making company and that large investments had been made by the petitioners in shares of various group companies and subsidiaries of the petitioner and, therefore, its assets were ill-liquid. A perusal of the scheme would show that the financial position of the petitioner company would be further strengthened as the loss making furniture division would be separated from the petitioner company. The documents on record clearly reveal that the assets far exceed the liabilities. All the liabilities are reflected in the

balance sheet and there has been no suppression from this Court. A true picture is depicted in the balance sheet. The investments made by the petitioner company in various other companies are beneficial investments.

10. In my considered opinion, therefore, sanctioning the scheme of demerger would not adversely affect the creditors and sanctioning the scheme would be in the best interest of the petitioner company as the loss making furniture division would be halved from the petitioner company. The balance sheet and the other documents reflect the financial stability of the petitioner company. The majority of the secured and unsecured creditors have given their no objection to the scheme. The Supreme Court in **Miheer H. Mafatlal v. Mafatlal Industries Ltd.,** A.I.R. 1997 S.C. 506 has held that the Company Court which is called upon to sanction a scheme of compromise and arrangement has not merely to go by the ipse dixit of the majority of the shareholders or creditors or their respective classes who might have voted in favour of the scheme by requisite majority but the Court has to consider the pros and cons of the scheme with a view to finding out whether the scheme is fair, just and reasonable and is not contrary to any provisions of law and it does not violate any public policy. The Supreme Court has further held that the Court cannot have the jurisdiction

like an appellate authority to minutely scrutinize the scheme and to arrive at an independent conclusion whether the scheme should be permitted to go through or not when the majority of the creditors or members or their respective classes have approved the scheme as required by Section 391(2). The Supreme Court further held that the Court certainly would not act as a Court of appeal and sit in judgment over the informed view of the concerned parties to the compromise as the same would be in the realm of corporate and commercial wisdom of the concerned parties. The Court has neither the expertise nor the jurisdiction to delve deep into the commercial wisdom exercised by the creditors and members of the company who have ratified the scheme by the requisite majority. The jurisdiction of the Company Court is peripheral and supervisory and not appellate.

11. I have given my anxious consideration to the various clauses of the scheme and I find that the scheme is fair, just and reasonable and is neither contrary to any provisions of law nor does it violate any public policy. The apprehensions of the objector/creditor is wholly unfounded. The scheme, therefore, proposed and filed at Exhibit C in Company Petition No. 3-Z of 2003 deserves to be approved. I have also hear the Official Liquidator and the learned counsel for the Regional Director. They have no objection for approving the

scheme.

12. The learned counsel for the petitioners has produced the Minutes of the Order, which is taken on record and marked ‘X’ for the purpose of identification. Order in terms of the Minutes of the Order at ‘X’.

(P.V. HARDAS)
JUDGE.

ed’s.